

BUDGET (12)

AGENCY PLAN: STATEMENT OF PURPOSE, GOALS AND BUDGET SUMMARY

STATEMENT OF PURPOSE:

The Budget Department compiles and monitors all necessary financial planning information and makes recommendations so that the City Administration can efficiently deliver quality services to improve public safety, accelerate economic development and improve the financial health of the City.

AGENCY GOALS:

1. Develop quality Departmental and Citywide financial plans.
2. Monitor conformity of Departmental activities with financial and operations plan.
3. Assist in the ongoing formulation of the Administration's priorities through systematic communication of quality fiscal analyses.
4. Provide efficient quality and user-friendly services to departments and key stakeholders of the City.

AGENCY FINANCIAL SUMMARY:

| 2005-06 <u>Requested</u> | | 2004-05 <u>Budget</u> | 2005-06 <u>Recommended</u> | Increase (Decrease) |
|-----------------------------|----------------------|--------------------------|-------------------------------|------------------------|
| \$ 3,355,110 | City Appropriations | \$ 3,355,110 | \$ 2,508,882 | \$ (846,228) |
| \$ 3,355,110 | Total Appropriations | \$ 3,355,110 | \$ 2,508,882 | \$ (846,228) |
| \$ 3,355,110 | NET TAX COST: | \$ 3,355,110 | <u>\$ 2,508,882</u> | \$ (846,228) |

AGENCY EMPLOYEE STATISTICS:

| 2005-06 <u>Requested</u> | | 2004-05 <u>Budget</u> | 04-01-05 <u>Actual</u> | 2005-06 <u>Recommended</u> | Increase (Decrease) |
|-----------------------------|-----------------|--------------------------|---------------------------|-------------------------------|------------------------|
| <u>28</u> | City Positions | <u>31</u> | <u>28</u> | <u>24</u> | <u>(7)</u> |
| 28 | Total Positions | 31 | 28 | 24 | (7) |

ACTIVITIES IN THIS AGENCY:

| | 2004-05 <u>Budget</u> | 2005-06 <u>Recommended</u> | Increase (Decrease) |
|----------------------|--------------------------|-------------------------------|------------------------|
| Budget Operations | \$ 3,355,110 | \$ 2,508,882 | \$ (846,228) |
| Total Appropriations | \$ 3,355,110 | \$ 2,508,882 | \$ (846,228) |

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BUDGET OPERATIONS ACTIVITY INFORMATION

ACTIVITY DESCRIPTION:

The Budget Department is primarily responsible for the preparation of the annual operating and capital improvement budgets and the biennial five-year capital agenda. Critical functions are monitoring City revenues and expenditures throughout the fiscal year, and relating financial activity to the plan expressed by the budget and to the long-term strategic direction set for the City. Development, implementation, and coordination of management information systems are essential to all aspects of financial planning and control. Budget Department staff coordinates city employee travel, employee telecommunications approvals, and perform management audits of City operations as staffing levels permit.

GOALS:

1. Develop quality Departmental and Citywide Financial Plans.
 - Departments have meaningful involvement in development of Departmental plans.
 - Budget staff analyzes proposals and develops needed alternatives.
 - Citywide plans reflect a special focus on the Mayor's "Kids, Cops and Clean" priorities and are consistent with the overall strategic direction set for the City.
2. Monitor conformity of Departmental activities with financial and operations plans.
 - Budget staff spends an adequate amount of time with Departmental representatives.
 - Budget variances are explained and, where possible, predicted.
3. Assist in the ongoing formulation of the Administration's priorities through systematic communication of quality fiscal analyses.
 - Budget leadership is in regular/ongoing and useful dialogue with Administration about its policy directions.
 - Budget staff has special focus on the Mayor's service priorities in ongoing analysis (pro-active).
4. Provide efficient, quality and user-friendly services to departments and key stakeholders of the city.
 - Staff are trained and oriented to their responsibilities.
 - The Department offers useful management information to Departments and the Administration.
 - The Department spends less time on processing activities.

MAJOR INITIATIVES FOR FY 2004-05 and FY 2005-06:

In order to deal with the fiscal crisis, Budget staff have increased their activities related to monitoring and operational analysis. Staff now hold monthly budget meetings with every agency to control expenditures and improve agency planning. Numerous benchmarking and process improvement studies have supported the Administration's attempts to consolidate or reduce program costs.

In 2004, we developed a 5-Year Forecast working with Bank One. This is in addition to ongoing work with local economists, including participating in the annual U of M conference, to update our income tax forecasting model.

Since we rolled out the e-Budget in 2001-02, we have worked with ITS to install an intranet site in 2003-04 to better relay information to departments, and to deploy the annual citizen survey on the city's website using automatic data capture and user-friendly interfaces. These projects have also allowed ITS to pilot interactive web applications necessary to other city business transactions.

We have also partnered with ITS to implement Private Board Exchange (PBX) to replace Centrex phones in city offices, starting with the Cadillac Tower in the summer of 2004 and the Coleman A Young Municipal Center in November 2004. The Herman Kiefer Complex cutover is underway in 2005. We now have the ability to control call features at the desktop level, which is expected to save money after cutover costs are incurred.

The Budget Department now maintains an inventory of all telecommunications devices by name, department, and title. This too has allowed a greater level of control and fostered more analysis of cost cutting opportunities. A policy restricting citywide cell phones has resulted. Likewise, travel management has been refined with a new reconciliation process and changes to the application used – all accomplished in-house despite the loss of a staff

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person in 2004-05. Teams have taken on the responsibility of handling travel reconciliations, which provides an individual response to concerns and issues.

In conjunction with the Annual Public Budget Meetings every fall, Budget staff present information about the budget process to high schools, police community relations and neighborhood organizations throughout the city. about the budget process. Overall participation was down this year, as outreach efforts were directed to community presentations related to the fiscal crisis and to the proposed bond authorizations on the city ballot. One position in this area will be reduced in 2005-06.

The Budget Department continues to provide technical support to agencies. RFP committees served on include: Blight Violations processing (since 2002), and employee benefits analysis. We supported Finance's new facilities planning process in 2004, with an inventory of city leases of space. Budget staff are members of numerous interagency working groups: the Transportation Group, the Department of Administrative Hearings Blight Violations Committee, the City Council Budget Monitoring Task Force, the Vehicle Management Steering Committee (which budget staff also support). Ongoing training seminars for city agencies are held annually: BRASS, performance measurement, vehicle planning and travel management sessions.

PLANNING FOR THE FUTURE FOR FY 2005-06, 2006-07 and BEYOND:

The Budget Department has been a leader in the application of new technologies, in outreach and partnerships, and in process improvement efforts to improve efficiencies and better serve agencies and citizens. As a result, the Department has achieved a high level of professional excellence and innovation.

The Budget Department is a winner of the GFOA Distinguished Budget Award for 7 consecutive years, and has a commitment to public sector standards for planning and reporting of financial information. Accordingly, we would like to redesign our Executive Budget, Adopted "redbook" budget, and Five-Year Capital Agenda documents to make information more user-friendly. In coming years, we will add CD-ROM options to our document distribution. We are also developing standards for document archiving and retention.

In conjunction with renewed efforts at long-term planning in the last few years, we will further integrate geographic information systems (GIS) capability into our processes.

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BUDGET OPERATIONS MEASURES AND TARGETS

| Type of Performance Measure List of Measures | 2002-03 Actual | 2002-03 Actual | 2003-04 Projection | 2004-05 Target |
|---|--------------------|--------------------|-----------------------|--------------------|
| Inputs: Resources Allocated or Service Demands Made | | | | |
| Personnel letters and requisitions evaluated and processed | 2,557 | 1,655 | 1,688 | 1,500 |
| Council and Finance Letters evaluated and processed | 436 | 440 | 440 | 350 |
| Personal Service Contracts reviewed, evaluated and processed | 338 | 340 | 452 | 450 |
| Team site visits to departments | 35 | 50 | 100 | 100 |
| Outputs: Units of Activity directed toward Goals | | | | |
| Agencies attending Budget Request Seminar | 34 | 39 | 37 | 42 |
| Management Audit reports completed | 5 | 3 | 3 | 3 |
| Average number of days turnaround on Personal Service contracts | 14 | 14 | 10 | 10 |
| Average number of days turnaround on personnel letters | 15 | 8 | 8 | 8 |
| Average number of days turnaround on Finance/Council letters | 11 | 12 | 11 | 10 |
| Average number of days between travel request and approval | 6.9 | 7.4 | 7 | 10 |
| Outcomes: Results or Impacts of Program Activities | | | | |
| Estimated General Fund surplus/deficit as % actual | 99% | 99% | 99% | 99% |
| Total citizen participation in the Citizen Budget Program | 906 | 829 | 353 | 1,000 |
| Department satisfaction ratings (1-5 scale) | 3.81 | 4.02 | 4.00 | 4.00 |
| Activity Costs | \$2,944,523 | \$3,148,459 | \$3,355,110 | \$2,508,882 |

CITY OF DETROIT
Budget Department
Financial Detail by Appropriation and Organization

| Budget Operations | 2004-05 Redbook | | 2005-06 Dept Final Request | | 2005-06 Mayor's Budget Rec | |
|---------------------------------------|----------------------------|--------------------|---|--------------------|---|--------------------|
| | FTE | AMOUNT | FTE | AMOUNT | FTE | AMOUNT |
| Budget Department Operations | | | | | | |
| <i>APPROPRIATION ORGANIZATION</i> | | | | | | |
| 00226 - Budget Department Operations | | | | | | |
| 120010 - Budget Operations | 31 | \$3,355,110 | 28 | \$3,355,110 | 24 | \$2,508,882 |
| APPROPRIATION TOTAL | 31 | \$3,355,110 | 28 | \$3,355,110 | 24 | \$2,508,882 |
| ACTIVITY TOTAL | 31 | \$3,355,110 | 28 | \$3,355,110 | 24 | \$2,508,882 |

CITY OF DETROIT
Budget Development for FY 2005-2006
Appropriations - Summary Objects

| | 2004-05 Redbook | 2005-06 Dept Final Request | 2005-06 Mayor's Budget Rec |
|-----------------------------------|----------------------------|---|---|
| AC0512 - Budget Operations | | | |
| <i>A12000 - Budget Department</i> | | | |
| SALWAGESL - Salary & Wages | 1,837,449 | 1,778,519 | 1,405,860 |
| EMPBENESL - Employee Benefi | 1,208,686 | 1,263,411 | 829,810 |
| PROFSVCSL - Professional/Cont | 10,000 | 8,000 | 8,000 |
| OPERSUPSL - Operating Supplie | 59,000 | 71,586 | 71,586 |
| OPERSVCSL - Operating Service | 226,381 | 233,594 | 193,626 |
| CAPEQUPSL - Capital Equipmen | 2,494 | 0 | 0 |
| OTHEXPSSL - Other Expenses | 11,100 | 0 | 0 |
| <i>A12000 - Budget Department</i> | <i>3,355,110</i> | <i>3,355,110</i> | <i>2,508,882</i> |
| AC0512 - Budget Operations | 3,355,110 | 3,355,110 | 2,508,882 |
| Grand Total | 3,355,110 | 3,355,110 | 2,508,882 |

CITY OF DETROIT
Budget Development for FY 2005-2006
Appropriation Summary - Revenues

| | 2003-04 Actuals | 2004-05 Redbook | 2005-06 Dept Final Request | 2005-06 Mayor's Budget Rec | Variance |
|---|--------------------|--------------------|----------------------------------|----------------------------------|----------|
| A12000 - Budget Department | | | | | |
| <i>00226 - Budget Department Operations</i> | | | | | |
| 447585 - Other Reimbursements- | 25,341 | 0 | 0 | 0 | 0 |
| <i>00226 - Budget Department Operations</i> | 25,341 | 0 | 0 | 0 | 0 |
| A12000 - Budget Department | 25,341 | 0 | 0 | 0 | 0 |
| Grand Total | 25,341 | 0 | 0 | 0 | 0 |

CITY OF DETROIT
MAYOR'S 2005/2006 RECOMMENDED BUDGET

Budget Department

| Appropriation | REDBOOK FY 2004 | DEPT REQUEST | MAYORS FY 2005 |
|---|-----------------|------------------|----------------|
| Organization | 2005 FTE | FY 2005 2006 FTE | 2006 FTE |
| Classification | | | |
| 00226 - Budget Department Operations | | | |
| 120010 - Budget Operations | | | |
| Budget Director | 1 | 1 | 1 |
| Deputy Budget Director | 1 | 1 | 1 |
| General Manager - Budget | 1 | 1 | 1 |
| Manager II - Budget | 3 | 3 | 3 |
| Manager I - Budget | 9 | 9 | 7 |
| Sr Budget Analyst - Exempted | 3 | 3 | 2 |
| Senior Budget Analyst | 8 | 6 | 6 |
| Administrative Specialist I | 1 | 1 | 1 |
| Executive Secretary III | 1 | 1 | 1 |
| Executive Secretary II | 1 | 1 | 1 |
| Principal Clerk - Exempted | 1 | 1 | 0 |
| Principal Clerk | 1 | 0 | 0 |
| Total Budget Operations | 31 | 28 | 24 |
| Total Budget Department Operations | 31 | 28 | 24 |
| Agency Total | 31 | 28 | 24 |